Reflections on Eurasian security

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It seems an especially appropriate moment for American scholars to consider the long-term issues of Eurasian security. At this time, of course, it is not easy to have a long-term vision of anything. Since the atrocities of September 11 2001, the world seems to have changed for us in fundamental ways. Old trends, therefore, may no longer apply.

It is not true, however, that the hatred of the United States that exploded on September 11 began on that same day. Indeed, even among our closest allies, there has been serious opposition to the role that we have often seemed to assume for ourselves since the end of the Cold War – the role of global hegemon and of the world's only superpower. It is particularly important that we not mistake the profound sympathy that we have received from our friends around the world as unconditional support for a forceful new assertion of that hegemony. Global hegemony is probably not the real direction of things in the world – not before September 11 and not thereafter. Most probably, the real direction is towards a more plural world order with several great powers. That has been, I suspect, the general drift in Eurasia over the past ten years and it will not now change.

Europe's postwar retreat

Thirty years ago it was fashionable to observe that Europe was only a regional power, whereas the United States was a global power. When Americans talked about being 'global', they meant the Far East. Our attention was focused there because American diplomacy was about to play its 'China card', its greatest coup of the Cold War. By exploiting the breach between China and the Soviets, the US hoped to rein in both. The Asian pressure on Russia did seem to stabilise and prolong détente in Europe at least – a situation that encouraged the germination of Gorbachev's reforms and undermined the Soviet system. Thus, the 'global' United States seemed able

to determine the fate of Europe through the Far East.¹ Europe, being merely regional, had little role in the Asian game that held the key to Europe's own destiny. Hence our patronising view of the time.

It was rather disingenuous to fault Europeans for lacking interest in Asia. It was also rather indelicate, given America's fervent enthusiasm for 'decolonisation' after World War II – that is to say, for the ejection of the Europeans from their old empires. Many Europeans, mindful of this history, watched the American discomfiture in Vietnam with more than a touch of *Schadenfreude*. In any event, European states were not uninterested in Asia; they simply had few cards to play there. The geopolitical hands dealt at the end of World War II left Europe devastated and truncated, menaced by a huge Soviet military force planted in the middle of a divided Germany. Security depended heavily on the Americans. Europeans lacked the geopolitical leisure or resources for a big independent role in Asia. With the Americans occupying and protecting Japan, East Asia's postwar political climate was set by its own Cold War – by the antipathies between the United States, China and Russia. China, isolated and paranoid, was left to the domestic preoccupations of its Revolution.

America triumphant

The end of the Cold War saw this postwar geopolitical situation radically changed. All parties – the United States, Russia, China and Europe – were dealt new geopolitical hands. The United States, the obvious victor of the Cold War, began the new era as the only superpower in an increasingly integrated global system. Remarkable American growth in the 1990s reinforced the sense of American predominance. Of course, the United States may never have been as strong as it seemed in the 1990s. Today, we are painfully aware of our physical vulnerability. But signs of our economic weaknesses have been visible for a long time. We have, for example, had a huge external deficit for several decades. That deficit reflects a long-standing habit: the American economy absorbs more than it yields; it consumes and invests more than it produces. The difference is the habitual external deficit and it has to be financed, one way or another, by Europe and Japan. In other words, America's high growth and high standard of living are borrowed, in part, from the rest of the world. Financing this deficit has generally been easy, thanks not least to the international role of the dollar. But European Monetary Union (EMU), with its emerging euro, creates an international alternative to the dollar.² As a result, it is not at all unlikely that the cost of our deficits will grow more and more burdensome to us. Nevertheless, it will not be easy to reduce the deficit very substantially. It will require cutting consumption or cutting investment – probably both. Cutting consumption means lowering America's standard of living, cutting investment means lowering its rate of growth and technological advancement. Reducing our

external deficit will not be pleasant for the rest of the world, either. Asia's trade surplus is the counterpart to America's current-account deficit. At a time when Asia is suffering from many signs of overproduction, a drastic reduction of the American deficit spells deep trouble for many Asian economies, perhaps including China.

Russia demoted

If the end of the Cold War left America triumphant, Russia's new geopolitical hand seemed a terrible demotion. America's economic problems, real or hypothetical, seem minor by comparison with those of Russia. Indeed, the abrupt economic decline following the collapse of the Soviet Union is one of the major economic catastrophes of modern history. Amazingly, Russia is now one of the poorest countries of the world. Nevertheless, it was the Russians themselves who dismantled the Soviet construction and their long-term prospects are probably much better for having done so. Russia has gained a fresh chance to develop its own version of a constitutional state and a market-based economy. The country still has its vast economic potential. Perhaps it is slowly acquiring a stable and competent government. In any event, it is liberated from its diplomatic isolation of the Cold War, particularly vis-à-vis Europe. Arguably, its long-term geopolitical position is thereby greatly improved.

Europe released

Europe's new hand seems a less ambiguous improvement. Europe no longer faces the Soviet threat with its accompanying need for American protection. Instead, Europe is restored to its pan-European space, including Russia. Western Europe's states, led by France and Germany, have reacted by accelerating their integration into the EU, while broadening its scope and membership. Hence the EMU, the Common Foreign and Security Policy (CFSP), the European Security and Defence Policy (ESDP), the attempts to reform NATO through the European Security and Defence Identity (ESDI), the negotiations with prospective new EU members in central and eastern Europe, along with the struggle to recast the EU's constitution. In effect, the EU seems determined to make itself the dominant institution in the new pan-Europe.³ Europe's big ambitions leave it rather vulnerable. Completing the European Union on a pan-European scale will require, at the very least, a long period of digestion and internal preoccupation. Too rapid an expansion risks making the whole system ungovernable. Still, the EU has tested and resilient institutions; its leading countries retain a strong geopolitical consciousness. It should not surprise anybody if, in our new century, Europe is once more a major force in Eurasia and around the world – a major global power.

China unbound

China, too, has a new hand. Since 1978, its growth has been very rapid. Its GDP is already the second in the world; its per capita income, however, is still extremely low, which suggests that rapid growth should continue.⁴ Like Russia, China is no longer isolated diplomatically. To be sure, it faces severe short-term problems – uncompetitive state firms, a precarious banking system, poorly developed fiscal institutions. Beyond are deeper questions about China's place in a global system. Nevertheless, so far China's government has managed the contradictions of its evolving system with great skill, even if Tiananmen Square suggests what happens when problems spin out of control.

A more plural world order

Looking at the geopolitical positions of the United States, Russia, Europe and China since the end of the Cold War, all four have reason to believe that their basic situations have improved. Three are deeply preoccupied with developing new national or regional prospects. Only one, the United States, has the resources and geopolitical leisure to be a major presence in the regions of all the others, a presence that seems likely to swell with America's new preoccupation with international terrorism. Nevertheless, given the favourable long-term prospects of the others, the global system seems unlikely to remain unipolar. The post-Cold War prospects of Europe, Russia and China point to a more plural global system, perhaps still highly integrated but not dominated by any single power. To work, such a system will require a high degree of multilateral cooperation. But that cooperation will depend not only on the wisdom and goodwill of statesmen and publics, but also on the degree to which the four centres of power – and perhaps others – develop interests and expectations that can be reconciled. It is frequently said that our present world is looking more and more like the world in 1900. As in 1900, the world system faces the problem of how to accommodate rapidly rising powers. Then, it was a question of appeasing Germany and Japan and, of course, the power that was really rising, the United States. And, as is often said, the failure of Britain, France, Germany and Russia to make room for one another led to two world wars and the mutual ruination of Britain and Europe together. In retrospect, considering how much was destroyed, we tend to believe that the great powers of 1900 ought to have been able to accommodate each other, and we fault them for failing.

But what about our own future? How easy will it be for today's four big powers to live together on an integrated planet? Obviously, this is a huge question. Let me explore two aspects of it. First, can the United States – still bemused by its unipolar vision – react successfully to a more plural world? And second, can a plural system absorb the rise of newly powerful poor states, in particular China?

American global policy in a plural world system

In the 1990s, only the United States had an active foreign policy beyond its own sphere. But that American foreign policy in the 1990s, even though informed by a rather hubristic self-consciousness about being the world's only superpower, had no great organising theme – other than shoring up the global economy and furthering American economic and financial interests within it. Otherwise, the Clinton administration's foreign policy can best be described as a sort of low-grade imperialism – meddling everywhere, often to prevent local horrors, as in Somalia or Haiti, but without much conviction and with a paralysing aversion to casualties. In principle, the president favoured a stronger, more self-sufficient Europe, and gave ritual support to the ambitious European goals of Maastricht. But, as time went on, the Clinton administration adopted a more aggressive view of international relations, a view promoted by 'peace theorists' equating 'perpetual peace' with the spread of American hegemony. With Congress in the hands of the Republicans, the Clinton administration felt constrained to make many concessions to the prejudices of the unilateralist right.

A decisive change in European policy came when the president decided to press for NATO enlargement in 1994. American policy began to reaffirm NATO's role as the manager of European security, and America's role as NATO's hegemonic leader. As the European intervention in Bosnia faltered, the United States came to the rescue. Thereafter, American rhetoric was much less diffident about reaffirming American primacy in Europe.⁵ After Bosnia came NATO's intervention in Kosovo, this time with Americans firmly in charge from the start. Meanwhile NATO enlargement took on an open-ended character. In 1999, Poland, the Czech Republic and Hungary were the first to be admitted, but the United States made clear that the next round might well include at least one of the Baltic states and that Ukraine could not be ruled out. In its early days, the new Bush administration sharpened the unilateralist tone of America's European diplomacy. Its favourite project, National Missile Defense, implied destabilising the existing regime of nuclear deterrence, while renewing Europe's military and technological subordination to the United States.

This direction of American policy did not sit well with the EU's ambitious plans to assert its own primacy over the new pan-European space. Early in the 1990s, Europeans put on the table their project for a European Security and Defence Identity, designed to make NATO less hegemonic. The idea was to transform NATO's traditional integrated and pyramidal framework, with a designated enemy and an American commander at the top, into a looser structure that would rely on ad hoc coalitions for specific purposes. But, as the Europeans discovered painfully in Bosnia, they first needed to create EU institutions to coordinate common security and defence policies among themselves. Ultimately, they needed to create effective military forces of their

own. By now, the Europeans have undertaken to build a rapid reaction force and have made considerable progress towards consolidating and rationalising their defence industries, an important step in building support for more defence spending.

It is still far too early to judge Europe's reaction to the Bush administration's American campaign against international terrorism. The atrocious attacks on New York and Washington triggered a strong outpouring of sympathy for the United States. But whether this powerful current of sympathy will also restore Europe's traditional subordination within NATO seems doubtful. In the short run, much will depend on how the Americans conduct their anti-terrorist campaign. The wider and deeper the effort, the greater the need for allies, and the more those allies will weigh on American policies. A good part of European enthusiasm for joining the American 'crusade' can be traced to apprehension over what the Americans will do unless checked by their allies. Most European governments feel the Americans have consistently mismanaged their relations with Israel and the Palestinians, Iran and even Iraq. Europeans, who feel themselves far more vulnerable to Muslim fanaticism, are unlikely to entrust their security to an unchecked American hegemon. Nor are Europeans likely to tolerate intense American presence in their domestic security arrangements. This does not mean that Americans and Europeans will no longer remain allies. But the trend towards a more balanced and autonomous transatlantic relationship seems unlikely to be reversed.

Russia's reaction

US policies that irritated the Europeans in the 1990s infuriated the Russians. Arguably, NATO's first enlargement – to Poland, the Czech Republic and Hungary – was not very significant to the Russians. They seemed less interested in blocking the enlargement than in extracting as many concessions from it as possible. Similarly, the Russians did not so much oppose the Kosovo intervention as insist upon joining it, and thus limiting American action. But the second enlargement of NATO, particularly its extension to the Baltic states, is a much more serious assault on Russian strategic interests.

One Russian option was to oppose enlargement vociferously and thereby perhaps persuade the Europeans to stall it. The other was, as before, to accept the enlargement but to extract concessions. But what concessions would be adequate for so serious a deterioration of Russia's strategic position as NATO in the Baltics or American forces deployed in Central Asia? Perhaps the most obvious way out is to have the Russians themselves join NATO, in one fashion or another, thereby transforming it from an implicitly anti-Russian alliance into a pan-European security system. The creation of the NATO–Russian Council in May 2002 seems to be a step in that direction.

NATO may now become a more potent version of the OSCE, with elaborate military staffs and great prestige. Full Russian membership in the future would almost certainly mean the end of NATO's traditional hierarchical structure dominated by an American SACEUR. The alliance would be most likely to move towards the flexible, ad hoc structures proposed by the French. In reality, this has already been NATO's pattern during the various Balkan interventions, where NATO's forces are a *de facto* coalition, directed by a 'Contact Group' of the major participants, with the Russians among them.⁶

Arguably, NATO's fate ultimately depends upon its not becoming a serious obstacle to European–Russian cooperation. This cooperation, of course, is still in its infancy. Nevertheless, NATO enlargement clearly can threaten its further development. Having Russia as an at least *de facto* member of NATO – as a result of NATO's own ambition to expand – would be a highly ironical outcome. Geopolitically, such a step would end the explicit western alliance against Russia. Europeans, left without any formal American protectorate, should logically accelerate the building of their own structures for collective defence. More European–Russian military cooperation might also seem a logical step as the way to control European problems in the Balkans, and possibly also Russian problems in the Caucasus and Central Asia. Russia, in short, is getting ready to play its European card.

US policy towards China

American policy in the 1990s had been abrasive not only towards Europe and Russia but also towards China. The Chinese have grown acutely sensitive to signs of a growing American taste for interventionism. They have been uneasy about NATO's excursions into Central Asia through PFP and highly critical of NATO's role in the Balkans. They are also among the most vociferous critics of NATO enlargement. They take a dim view of American enthusiasm for the Dalai Lama. Most of all, they are angry and fearful over the shift in US policy towards Taiwan. And they see Bush's National Missile Defense as designed primarily to neutralise China's deterrent, a project revealing that American strategic planners believe a major confrontation with China is inevitable and are fast preparing for it. If the United States soon grows heavily engaged militarily in Afghanistan and Central Asia generally, Chinese apprehensions are unlikely to diminish. It will be difficult for the Chinese to avoid thinking of American counter-terrorism as a new version of hegemonic imperialism. This judgement will be still more difficult to avoid in so far as the United States refuses to conduct its campaign through the UN Security Council, where China has a veto.

Eurasian reactions

Antagonising China and Russia at the same time has had a not unpredictable consequence: the two have moved closer together. Both have started promoting together a new organisation of Eurasian states.⁷ A China card is being played again, but this time by Russia rather than the United States. Official American analysts apparently have decided, *a priori*, that such a development cannot occur. The inherent conflict between declining Russia, endowed with Siberia's energy, and fast-growing China, hungry for it, is supposedly too great for a durable alliance between the two. This judgement may seriously underestimate the capacity of the Russians and Chinese for rational behaviour. Russia, after all, needs to develop the potential of Siberia and needs to sell its products to someone. Why not to China – soon the world's biggest economy and probably for a long time among its fastest growing? Given the dangers, Russia would not want to see a real confrontation between the United States and China. But continuing tension would increasingly tie down the Americans and allow Russia to bargain for concessions in the West.

The other key element in Russia's grand strategy is a closer relationship with western Europe. Given Europe's need for Russia's resources and taste for collaborative rather than confrontational diplomacy, a Russian–EU entente seems not at all unlikely. This should not mean a definitive break between the EU and the United States. But it would tend to detach the EU from any aggressive anti-Russian policies from the United States that do not seem in Europe's interest. Without European support, or at least acquiescence, it would be more difficult for the United States to continue such policies.

A developing European relationship with China would complete the Eurasian geopolitical revolution. It is difficult to imagine Europe playing a heavy and direct military role in Asia, except by refusing to support the enthusiasms of the United States. But Europe already has enormous economic interests in Asia generally. America's huge current account deficit already depends heavily on European support to finance it. Since Europeans could expect to profit from peace but not from war, they would presumably use their influence to dampen aggressive military enthusiasm on all sides. Having the Europeans present in the region should inhibit the tendency of Americans and Chinese to demonise each other and polarise relations.

Geopolitical realignment?

In summary, four great power centres have been active in the nascent post-Cold War Eurasian system – the United States, the EU, Russia and China. All were dealt new geopolitical hands. Everyone's cards seemed to promise a bright future. For the short term, the US cards seemed far and away the best.

Gradually, the United States began to play the unipolar game that went with its cards. 'Peace theory' and 'globalisation' provided the ideological cover. The United States began to find itself everywhere opposing the ambitions of others in their own spheres. As a result, the United States has, little by little, been building a global consensus against itself. The world's other three great powers have begun to see the United States as a sort of rogue hegemon, increasingly self-centred, unilateral and inconvenient to their own regional ambitions. Not surprisingly, they have begun moving closer to each other. American diplomacy is thus provoking a pan-Eurasian coalition – as a way for the rest of the global system to balance and contain the superpower.

Is this a threat to our interests? It depends on whether we define our interest as being the global hegemon – struggling to frustrate the rise of the others. If we do not, if instead we work to create a genuine multilateral system, one that leaves generous room for the aspirations of the others, it is difficult to see how this pluralist trend in Eurasia threatens our vital interests. Our assets remain huge, our ties to each of the others intimate. We can no doubt remain pre-eminent for a long time but will have to evolve a less bombastic style and vainglorious notion of our role. This is perhaps not the worst outcome for the post-Cold War system, or indeed for the United States itself. Ideally, it will provide a global Treaty of Westphalia, without first having to go through a Thirty Years War.

Accommodating the newly powerful poor

Considering the possibilities of coexistence in a pluralist system necessarily brings up my second question, raised at the chapter's outset: can a concert of mostly very rich states find a place for a newly powerful but still very poor China? The global conflict between rich and poor states is hardly a new topic. But we have developed a rather abstract way of talking about it. We note that 60 per cent of the world's people live in 'poor countries', those with a per capita income of less than \$2,900. We also note that rich westernised states, with incomes averaging \$20,000 to \$30,000 per capita and higher, make up only 15 per cent of the world's population. But our abstract category, 'poor countries', blurs a critical geopolitical distinction. Among these poor countries are China and India. Indeed, their populations together constitute roughly two thirds of the world's poor and two and a half times the population of all the rich states combined. China alone has 21 per cent of the world's population, India 17 per cent. Nothing in the long history of humanity leads us to presuppose that China and India must be poor, and Europe and America rich. Indeed, even as late as the eighteenth century China's growth and living standards were, in many respects, comparable to those in Europe. China's decline came as the nineteenth century progressed.⁸ In recent years, China has started growing very rapidly.⁹ In an OECD study of China's likely growth pattern from 1995 to 2015, written by Angus Maddison, a leading

analyst of comparative economic history, China's GDP is forecast to overtake the American by 2015. But the same projections foresee a Chinese per capita income in 2015 of still only \$6,398 (adjusted for purchasing power) as opposed to \$30,268 for the United States; \$25,533 for Japan; \$23,199 for '32 advanced capitalist countries'; and \$3,120 for India.¹⁰ In other words, even when China's national GDP equals the American, US per capita income is expected to remain five times greater than China's and ten times greater than India's. China will thus be a rich state but with a poor population.

Having China among the world's economic and military giants will, in itself, empower a large proportion of the world's poor. And the superpower status that seems quite near for China is not unimaginable later for India. Both states have nuclear weapons and an already impressive scientific infrastructure that could grow formidably with the vast new wealth their national economies are expected to generate. Both countries enrol substantial parts of their populations in first-class educational systems. Under the circumstances, demands to reduce the global income gap are likely to grow more insistent. Even those who are complacent about the inequality of wealth will be compelled to pay attention to the narrowing gap of power.

World redistribution?

Would a major global redistribution be a bad thing? The answer, from a western point of view, depends on whether more equality is brought by a zero-sum allocation – the poor taking from the rich – or by growth – where the rich stay rich but the poor get richer too. Zero-sum redistribution can happen when highly competitive industries in poor countries destroy industries in advanced countries and leave many people jobless. Some of that has been occurring over the past half century, with the rise of Japan or the various smaller Asian 'tigers'. Western labourers have faced very considerable competition and displacement. But, as Asian wages have risen sharply, new markets have been created and new industries and services have sprung up in the West.¹¹ The resulting production is more efficient worldwide and the benefits to the West have, we say, greatly outweighed the costs.

China, however, is much poorer per capita than Japan and the Asian tigers.¹² It is also several times more populous than all of them together. Thanks to China's radically low income per capita and radically high population growth, even very modest per capita growth in China requires very large aggregate growth. To fulfil Maddison's projection and equal the US GDP by 2015, China will have to triple its GDP of 1995. Even so, its per capita income is then expected to be equivalent to only one fifth of the American. But in achieving this goal, over two decades, China's new growth will alone equal the whole size of the American economy of 1995.¹³ If growth on such a scale is achieved by taking wealth away from others, the consequences will be very unpleasant for those who are the losers. But even

if China's growth is achieved entirely by expanding the world's collective GDP, expansion on such a scale will constitute enormous new pressure on the price of raw materials – oil being the obvious example.¹⁴ And the vastly increased energy use implicit in China's growth cannot help but have a serious impact on environmental conditions – all the more because China relies heavily on coal.¹⁵ In short, accommodating China, let alone India, will be a big problem for the world as a whole and, of course, for China itself. Compared to this huge Malthusian problem that we seem bound to face, the challenges of 1900 – accommodating imperial Germany and the United States – seem relatively minor.

Nevertheless, it would be unwise to forget that the great wars of modern times have been among the most rich and highly developed countries. Today's intensely competitive free trade leads to a high commercial tension among the rich states. All struggle to find specialisations in high technology and finance that will permit their outsized standards of living to be sustained. Governments are deeply involved. Industrial espionage intensifies and trade disputes grow increasingly acerbic. As China's competition weighs more and more heavily on all advanced countries, the competition among them can only increase.

In short, no one should be too optimistic about the prospects for resolving peacefully the intractable conflicts of interest among powerful states, rich or poor, that seem clearly foreseeable in the new century. It will help greatly, of course, if technology continues coming to the rescue. Malthusian crises have been predicted regularly over the past two centuries, but have been avoided, as stunning technological mutations have repeatedly changed the parameters of economic possibilities. Cultural change is another way to adjust. Perhaps China can find a better model for itself than simply aping the consumerism of western societies. And perhaps western societies themselves can find a better way to sustain their democratic legitimacy than the expectation of ever growing consumption.

The most promising geopolitical framework

Would a reborn Westphalian system for Eurasia be a better framework for managing these grand questions than the hegemonic model imagined by American triumphalists? I would argue yes. The experience of the 1990s does not suggest that the unipolar vision brings out the best qualities of American statecraft. The general thrust of American diplomacy, admittedly only languid until now, has been to oppose Europe, Russia and China together. This does not seem a helpful direction. Acton's dictum about power corrupting may even apply, it seems, to the United States.

A self-consciously plural system is perhaps more promising. Given the realities of modern warfare, if the great problems of the future are to be addressed successfully, they must be addressed in a collaborative rather than

a confrontational fashion. No one country has the political, economic and military resources, let alone the moral imagination, by itself, to manage the great problems looming in our world. A unipolar vision of the world thus seems inherently unstable. It creates a single target for all the frustrations inevitable in a rapidly changing world. Instead of promoting a generalised sense of responsibility for world order, the unipolar vision encourages free-riding and opportunism. In such a world, self-righteous confrontation is all too easy.

Westerners will, for example, be inclined to complain bitterly as a rapidly growing China notably degrades the world's environment. Chinese will have every reason to answer: 'Who are you in America – with your colossal waste of energy – to complain about our pollution?'¹⁶ If China were Korea, that might be an adequate answer. But China is already a great power in the world. In due course, it will be greater still. Great powers have a particular responsibility for dealing with the world's problems. In the coming generations, they must find a way together to ease modern societies into a world order that is sustainable – politically, economically, environmentally, culturally and morally. If they, or rather we, try to resolve our differences by force, we run a very high risk of repeating the fate of the world system of 1910. To avoid such an outcome requires a new concert of mutual respect and responsibility. Ideally, a self-conscious plural system in pan-Eurasia would be more conducive to such a concert.

Successfully rebalancing the West and building a collaborative system with Russia, China, Europe and America probably requires more wisdom and skill from the world's leaders than we have any reason to expect. But Europe, having suffered so much from its own selfish divisions and come such a long way in learning to control them, may now have something special to teach the rest of the world. We can hope that a stronger Europe can settle its differences with America, that it can embrace Russia and help it to find a worthy new version of itself. And we can hope that the pan-Eurasian system that follows can find an honoured place for China, at long last restoring itself as a great force in the world. We can hope that all the great powers of our time can together find the moral imagination to redefine their social and economic ideals to suit a more equal world. If the human experiment is to continue, the world's great civilisations must find a way to concert their ideals and forces. As scholars, we have a not inconsiderable responsibility to imagine and promote this concert.

Notes

- 1 Playing the China card also favoured reform in China. By 1978, China was launched on its great attempt to reconcile itself with capitalism and to enter the world economy.
- 2 For my own extended discussion, see David P. Calleo, 'Strategic Implications of

- the Euro', *Survival*, 41:1 (1999), pp. 5–19.
- 3 For my own extended analysis of Europe's ambitions and prospects, see David P. Calleo, *Rethinking Europe's Future* (Princeton, NJ: Princeton University Press, 2001).
 - 4 Using a standard based on purchasing power parity. Otherwise, based on current exchange rates, it is seventh – after the United States, Japan, Germany, France, Italy and the United Kingdom. See World Bank statistics, at www.worldbank.org/data/databytopic/keyrefs.html. For growth projections see Angus Maddison, *Chinese Economic Performance in the Long Run* (Paris: OECD, 1998), p. 97.
 - 5 In his recollections of the Bosnia negotiations in 1995 and 1996, Richard Holbrooke argues that the Bosnian tragedy and the resulting Dayton accords marked a shift in US foreign policy. It became, in his words, 'more assertive, more muscular'. Richard Holbrooke, *To End a War* (New York: Random House, 1998), p. 359. This, in his view, was in large degree a reaction to the failure of the Europeans to deal with a major crisis in their own backyard: 'While both the U.S. and the EU initially viewed the Balkan wars as a European problem, the Europeans chose not to take a strong stand, restricting themselves to dispatching U.N. "peacekeepers" to a country where there was no peace to keep, and withholding from them the means and the authority to stop the fighting'. *Ibid.*, p. xv.
 - 6 In 1994, the Contact Group was established among the five major powers involved – the United States, Russia, Germany, France and the United Kingdom – thereby reducing the cumbersome decision-making processes characteristic of the EU, NATO and the UN. Creating the Group reflected a western desire to accommodate Russia in its perceived sphere of influence in the Balkans and in the light of already strained relations over NATO enlargement. The actual work of the Contact Group reflected a deepening of the NATO–Russia working relationship. While the success of the Contact Group's proceedings (and more specifically Russia's unsuccessful attempt to restrain the Bosnian Serbs) was ambivalent, it did lay the groundwork for substantial cooperation in implementing the peace agreement in Bosnia. Nevertheless, the West and Russia continued to see distinct geopolitical interests in the Balkans. For the creation of the Contact Group see David Owen, *Balkan Odyssey* (New York: Harcourt Brace, 1995), pp. 275–8. For a critical appraisal of the role of the Contact Group in the Balkan conflicts and in NATO–Russia collaboration, see Carsten Giersch, 'Multilateral Conflict Regulation: The Case of Kosovo', *Weatherhead Center for International Affairs Working Paper No. 00–04* (Cambridge, MA: Harvard University, August 2000).
 - 7 By an agreement signed on 15 June 2001, the heads of state of Russia, China and four Central Asian republics established the SCO. This organisation will work to promote political, military and intelligence cooperation among the six signatory countries. In theory, the SCO has impressive resources. It covers approximately 1.5 billion people, has access to a large contingent of strategic and tactical nuclear weapons, and combines conventional forces of over 3.6 million soldiers. Mongolia, Turkmenistan and Iran are supposedly ready to join the organisation soon. In addition, China would like to see Pakistan join, whereas the Russians promote the entry of India. The creation of the SCO was followed by the signature of a cooperation treaty between Russia and China on 15 July, aimed at improving military and political cooperation between the two countries and at promoting a 'new international order'.

- 8 Maddison, *Chinese Economic Performance*, Chs 1 and 2.
- 9 *Ibid.*, pp. 14, 19.
- 10 *Ibid.*, p. 97 (adjusted for purchasing power parity). Maddison's projection, where China surpasses the US GDP in 2015, assumes an average per capita growth rate of only 4.5 per cent. The IMF figures for overall real growth, adjusted for population growth, show China's real GDP growth per capita since 1995 to have been as follows: 9.6 per cent (1996), 8.8 per cent (1997), 7.8 per cent (1998), 7.1 per cent (1999). IMF estimates are 7.5 per cent (2000) and 7.3 per cent (2001). For the unadjusted real GDP growth figures, see IMF, *World Economic Outlook* (Washington, DC: IMF, October 2000), p. 22. Of course, these projections also assume that China will be able to manage the structural flaws of its current economic system, in particular a reform of the highly volatile and unstable banking system as well as an effective reorganisation (and privatisation) of inefficient and oftentimes corrupt state-owned companies.
- 11 Japan, Hong Kong and Singapore have surpassed western per capita income levels. Most of the Asian 'little tigers', however, have a GDP per capita that is still low by western standards, even if several times greater than in China or India. But Asia's tigers have comparatively small populations. Even Japan, with 126 million people, is smaller than France and Germany put together.
- 12 In 1999, for example, Chinese per capita income, adjusted for purchasing power, was 14.9 per cent that of Japan, 47.1 per cent that of Malaysia, 22.7 per cent that of Korea and only 11.5 per cent that of the U.S. See World Bank, www.worldbank.org/data/databytopic/keyrefs.html. China's population of 1.267 billion probably still exceeds India's (see World Bank, *World Development Indicators Database* (16 July 2001), www.worldbank.org). China's birth rate and natural population growth rate have decreased spectacularly – from 33.43 per cent and 25.83 per cent in 1970 to 15.23 per cent and 8.77 per cent in 1999. Nevertheless, China's population is still growing at a rapid pace (see China Population Information and Research Center, *White Paper China's Population and Development in the 21st Century*, Internet edition (2001), www.cpirc.org.cn/whitepaper.htm).
- 13 According to Maddison's data and data projections, the US GDP in 1995 was \$6,150 billion. Chinese GDP in 1995 was \$3,196 billion. The projected Chinese GDP for 2015 is \$9,406 billion (figures in 1990 US\$). Maddison, *Chinese Economic Performance*, p. 97.
- 14 Indeed, from 1980 to 1997, China's energy use was up by one third. By 1997, China had become an oil importer. See International Energy Agency, *Energy Balances: Non-OECD Countries* (Paris: IEA, 2000). Overall, China's energy use is expected to grow exponentially. Consumption of fuels is likely to quadruple by 2015. The continuously rising demand indicates daily oil imports of 8.6 million barrels by the same year. Total energy consumption is likely to redouble by 2006 from a 1996 base, and again by 2015. See Verne W. Louse and Ian McCreary, 'China's Energy: A Forecast to 2015', *Los Alamos National Laboratory International Economics Reports LA-UR-96-2972* (Los Alamos, NM: Los Alamos National Laboratory, 1996).
- 15 China's use of coal as a source of energy has increased exponentially and this trend is likely to continue in the foreseeable future. At the moment, China's per capita pollution is small by comparison with that of the US (see n. 16 below). Nevertheless,

- experts predict that by the year 2025, China will emit more carbon dioxide and sulphur dioxide (products from coal burning) than the United States, Japan and Canada combined. For consequent concerns about the environment, see Louse and McCreary, 'China's Energy', pp.1–9, as well as World Resources Institute, *A Guide to the Global Environment 1994–95* (Washington, DC: World Resources Institute, 1995). China's future pollution would contribute substantially to climate change (see World Resources Institute, *The Environment and China: Climate Change*, Internet edition (2001), www.wri.org/china/climate.htm).
- 16 Between 1971 and 1998, China's per capita emission of CO₂ has more than doubled, from 1.02 to 2.30 tons. US per capita emissions of CO₂ actually decreased, but remained at a very high level (having fallen from 20.7 to 20.1 tons per capita). International Energy Agency Data Services (2001), www.iea.org.